

EXHIBIT 1 SCOPE OF SERVICES

Project Understanding:

This project Scope of Services is designed to comply with the new legislative requirements for affected water utilities. The 87th Texas Legislature (2021) passed Senate Bill 3, which amended various sections of the Texas Code, including Texas Water Code Chapter 13 (Water Rates and Services), to include additional provisions for emergency preparedness (Section 13.1394 Standards of Emergency Operations). Affected water utilities, including the City of San Marcos (City), are required to develop/update and implement an emergency preparedness plan that demonstrates the utility's ability to provide emergency operations during an extended power outage at a minimum water pressure of 20 pounds per square inch (psi). TCEQ provides water utilities 14 options, at least one of which must be selected and implemented, to demonstrate the ability to continue operations during an extended power outage. The Basic Services includes consideration of relevant applicable option, which are summarized below. Uncommon options are listed in the Additional Services section, which can be evaluated upon request for an additional fee.

Applicable Emergency Preparedness Options

- Non-Capital Approaches

Option 3: a.) negotiate leasing and contracting agreements for emergency power equipment and fuel, or b.) develop mutual aid agreement with other water providers.

Option 8: a.) designation of the water system as a critical load facility, or b.) recognition of the water system as having redundant, isolated, or dedicated electrical feeds.

Option 10: a.) water is delivered to your distribution system from outside your service area using an emergency interconnect, or b.) water is delivered to your distribution system from outside your service area using a water hauler.

Option 13: emergency water demand rules to maintain emergency operations

- System-wide Capital Improvement Approaches

Option 9: provide water storage capabilities

Option 12: redundant interconnectivity between pressure zones

- Facility Specific Capital Improvements

Option 1: permanently installed automatic starting auxiliary generators

Option 4: use of portable generators capable of serving multiple facilities equipped with quick connect systems.

The schedule of to identify critical facilities, emergency preparedness plan submission, and implementation, as defined by TCEQ, is summarized below.

- November 1, 2021: Critical Facilities Notification to electric providers and state agencies
- March 1, 2022: Emergency Preparedness Plan Submission to TCEQ
- July 1, 2022: Emergency Preparedness Plan Implementation

This scope of services includes effort to support the City in the completion of actions necessary to meet the November 1, 2021, Critical Facilities Notification compliance deadline and the March 1, 2022 Emergency Preparedness Plan compliance deadline. The scope below is intended to help the City achieve compliance and allow for the implementation of capital improvements as appropriate for continued water utility operations during extended power outages. FNI will provide support for the Emergency Preparedness Plan Implementation by July 1, 2022, as an Additional Service, as the actions and level of effort required will not be known until the Emergency Preparedness Plan is developed/updated.

In support of the development of the Emergency Preparedness Plan, FNI will develop a summary report that documents the analyses, results and recommendations for critical water and wastewater facilities. Scope of Services will include the following tasks:

Phase 1: Critical Facilities Assessment

- A. Prepare Data Request and Project Kickoff:** FNI will develop and present a Data Request Memorandum to the City to gather updated water distribution system information related to water demands and system operations. FNI will utilize information obtained from the recently completed AWIA project before requesting additional information from the City.

- B. Desired Level of Service Meeting, Data Collection and Review:** FNI will conduct a meeting with City staff to discuss the desired level of service and design criteria for which the analysis will be based upon. FNI will develop the demand scenarios and will verify with City staff prior to conducting subsequent analyses.

- C. Critical Facilities Analysis:** FNI will utilize City's water model to conduct an analysis of the City's water utility system to determine the level of criticality for each facility based on its ability maintain the desired level of service during extended emergency operations lasting more than 24 hours. FNI will conduct a manual desktop evaluation for City's wastewater system to identify critical facilities. For compliance purposes, facilities that would result in loss of service to all or part of the served customers due to an extended power outage would be considered to have critical load status. Results of the analysis will provide a ranking of importance for critical facilities and associated loads with respect to water demand supplied and required power needed for operation.

- D. Critical Facilities Compliance Notification:** FNI will prepare documentation for critical water and wastewater facilities to communicate to relevant energy providers, state entities, and local emergency planning committees by November 1, 2021, to comply with the Critical Facilities Notification compliance requirement.

Phase 2: Emergency Preparedness Plan Development

- A. Emergency Preparedness Workshop:** FNI will present to client emergency preparedness approaches for consideration to demonstrate compliance. FNI will document approaches that are already in place, are viable for further evaluation, and can be removed from consideration.

- B. Emergency Preparedness Options Evaluation:** FNI will conduct an evaluation of the emergency preparedness options, based on input from City Staff from the Emergency Preparedness Workshop. Emergency preparedness options will be evaluated for identified water and wastewater critical facilities. FNI will consider Non-Capital Approaches), System-wide Capital Improvement Approaches, and Facility Specific Capital Improvements. FNI will conduct up to 16 hours of site visits to evaluate energy demand, siting options, required infrastructure upgrades, and other relevant considerations for the installation of auxiliary generators or provision of portable generators at water critical facilities.
- C. Preparation of Technical Memorandum and Emergency Preparedness Plan:** FNI will prepare a Summary Technical Memorandum documenting the approach, findings, recommendations, projected costs and schedules for the development and implementation of the Emergency Preparedness Plan. FNI will prepare a draft Emergency Preparedness Plan using the current applicable TCEQ-provided template in preparation for submission to TCEQ for review and approval. The Plan and Tech Memo will be provided to the City for review and feedback. FNI will meet with City staff to solicit input and receive comments on the Plan and Tech Memo.
- D. City Council Review Meeting:** FNI will prepare a summary presentation to provide City Council for consideration of approval of the Emergency Preparedness Plan. FNI will attend and present to the City Council and answer technical questions.
- E. Submission of Emergency Preparedness Plan to TCEQ, Tech Memo to CLIENT:** FNI will finalize the Plan and Tech Memo, incorporating final comments from City Staff. FNI will provide the final Plan final Tech Memo in electronic format. Up to five (5) hard copies will be provided upon request. FNI will provide coordination support for the submission of the Plan to TCEQ by the compliance deadline of March 1, 2022. FNI will provide up to 8 hours of coordination support to respond to and address TCEQ review comments and requests. Additional TCEQ coordination will be provided upon the City's request as an Additional Service.

ADDITIONAL SERVICES

FNI will provide the following services as an Additional Service upon the City's request.

1. Evaluation of uncommon Emergency Preparedness Planning options as defined by the TCEQ Emergency Preparedness Plan Template.
 - Option 2 A.) the reliance on a water provider during an extended power outage to maintain water at 20 psi within your distribution system, or B.) member of TXWARN.
 - Option 3 A.) the negotiation of leasing and contracting agreements for emergency power equipment and fuel, or B.) mutual aid agreement with other water providers to share emergency power equipment and fuel with other water providers.
 - Option 5 the use of on-site electrical generation or distributed generation facilities
 - Option 6 hardening the electric transmission and distribution system serving the water system from strong wind
 - Option 7 for existing facilities, the maintenance of direct engine or right-angle drives
 - Option 11 the ability to provide water through artesian flows
 - Option 14 any other alternative determined by the commission to be acceptable

2. Implementation assistance for selected Emergency Preparedness Planning options by July 1, 2022
3. Agency coordination assistance in excess of 8 hours
4. Water facility site visits in excess of 16 hours
5. Engineering design of selected capital improvements
6. Funding coordination assistance, including State and Federal loans, grants, and other anticipated federal funding appropriations for water utility infrastructure

EXHIBIT 2
DETAILED FEE SCHEDULE

Task	Task Name	Fee
1A	Prepare Data Request and Project Kickoff Meeting	\$4,458
1B	Desired Level of Service Meeting, Data Collection, and Review	\$4,235
1C	Critical Facilities Analysis	\$10,202
1D	Critical Facilities Compliance Notifications	\$1,409
Phase 1 Total		\$20,304
2A	Emergency Preparedness Workshop	\$4,277
2B	Emergency Preparedness Evaluation	\$18,955
2C	Preparation of TM and Emergency Preparedness Plan	\$9,807
2D	City Council Review Meeting	\$1,777
2E	Submission of Emergency Preparedness Plan to TCEQ and TM to City	\$4,233
Phase 2 Total		\$39,049
PROJECT TOTAL		\$59,353

Exhibit 2.1 - Hourly Rate

COMPENSATION

Compensation to FNI for Basic Services in Attachment SC shall be the lump sum of Fifty-Nine Thousand Three Hundred Fifty-Three Dollars (\$59,353).

If FNI sees the Scope of Services changing so that Additional Services are needed, including but not limited to those services described as Additional Services in Attachment SC, FNI will notify OWNER for OWNER's approval before proceeding. Additional Services shall be computed based on the following Schedule of Charges.

Position	Hourly Rate	
	Min	Max
Professional 1	80	148
Professional 2	100	157
Professional 3	122	228
Professional 4	152	244
Professional 5	185	350
Professional 6	197	398
Construction Manager 1	89	176
Construction Manager 2	109	190
Construction Manager 3	167	224
Construction Manager 4	205	289
CAD Technician/Designer 1	71	147
CAD Technician/Designer 2	104	158
CAD Technician/Designer 3	133	208
Corporate Project Support 1	52	126
Corporate Project Support 2	73	175
Corporate Project Support 3	105	266
Intern / Coop	42	107
Senior Advisor	175	175

Rates for In-House Services and Equipment

<u>Mileage</u>	<u>Bulk Printing and Reproduction</u>		<u>Equipment</u>	
Standard IRS Rates	<u>B&W</u>	<u>Color</u>	Valve Crew Vehicle (hour)	\$75
	Small Format (per copy)	\$0.10	Pressure Data Logger (each)	\$100
	Large Format (per sq. ft.)		Water Quality Meter (per day)	\$100
<u>Tech Charges</u>	Bond	\$0.25	Microscope (each)	\$150
8.50 per hour	Glossy / Mylar	\$0.75	Pressure Recorder (per day)	\$200
	Vinyl / Adhesive	\$1.50	Ultrasonic Thickness Gauge (per day)	\$275
	Mounting (per sq. ft.)	\$2.00	Coating Inspection Kit (per day)	\$275
	Binding (per binding)	\$0.25	Flushing / Cfactor (each)	\$500
			Backpack Electrofisher (each)	\$1,000
			<u>Survey Grade</u>	<u>Standard</u>
			Drone (per day)	\$200
			GPS (per day)	\$150
				\$50

OTHER DIRECT EXPENSES:

Other direct expenses are reimbursed at actual cost times a multiplier of 1.10. They include outside printing and reproduction expense, communication expense, travel, transportation and subsistence away from the FNI office. For other miscellaneous expenses directly related to the work, including costs of laboratory analysis, test, and other work required to be done by independent persons other than staff members, these services will be billed at a cost times a multiplier of 1.10. For Resident Representative services performed by non-FNI employees and CAD services performed In-house by non-FNI employees where FNI provides workspace and equipment to perform such services, these services will be billed at cost times a multiplier of 2.0. This markup approximates the cost to FNI if an FNI employee was performing the same or similar services.

These ranges and/or rates will be adjusted annually in February. Last updated February 2021.

EXHIBIT 3
PROJECT SCHEDULE

FNI is authorized to commence work on the Project upon execution of this Agreement and agrees to complete the services in accordance with the following schedule:

- | | |
|--|--------------------------------|
| 1. Kickoff / Level of Service Meeting | 10 Days from Notice to Proceed |
| 2. Critical Facilities Evaluation | 30 Days from NTP |
| 3. Critical Facilities Notification | November 1, 2021 |
| 4. Tech Memo and Draft EPP | January 2022 |
| 5. Council Presentation | January-February 2022 |
| 6. Submission of EPP to TCEQ | March 1, 2022 |
| 7. EPP Implementation Completion* | July 1, 2022 |

Bold items are compliance deadlines

*Provided as an Additional Service upon the City's request